

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 14-0729.01 Nicole Myers x4326

HOUSE BILL 14-1001

HOUSE SPONSORSHIP

Singer, Young

SENATE SPONSORSHIP

Nicholson, Jones, Kefalas

House Committees

Finance  
Appropriations

Senate Committees

Finance  
Appropriations

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A PROPERTY TAX REIMBURSEMENT  
102 FOR A TAXPAYER THAT OWES PROPERTY TAX ON PROPERTY  
103 THAT HAS BEEN DESTROYED BY A NATURAL CAUSE, AND, IN  
104 CONNECTION THEREWITH, MAKING AND REDUCING  
105 APPROPRIATIONS.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)*

Beginning in the 2013 income tax year, the bill establishes an

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

SENATE  
Amended 2nd Reading  
May 6, 2014

HOUSE  
3rd Reading Unamended  
April 4, 2014

HOUSE  
Amended 2nd Reading  
April 3, 2014

income tax credit for a taxpayer that owns real or business personal property that was destroyed by a natural cause as determined by the county assessor of the county in which the property is located. The amount of the credit is an amount equal to the taxpayer's property tax liability for the destroyed property in the property tax year in which the natural cause occurred. A taxpayer is allowed to claim the credit only for the income tax year during which the property was destroyed.

The bill requires the executive director of the department of revenue (department) to create a certification form to be used by a county assessor to certify to the department, at the request of a taxpayer, that the taxpayer's property was destroyed by a natural cause and that the taxpayer is entitled to an income tax credit. The bill specifies the information that shall be included on the certification form for real or business personal property that was destroyed by a natural cause. The department is required to make the certification form available to taxpayers and county assessors on the department's web site and by any other means deemed necessary by the department.

Before claiming an income tax credit, the bill requires a taxpayer to request that the county assessor in the county in which the destroyed property is located complete and sign a certification form for the destroyed property that is the basis of the income tax credit. The county assessor is required to complete and sign the certification form upon such request and the taxpayer is required to submit the completed and signed certification form to the department with the taxpayer's income tax return.

The amount of the credit allowed that exceeds the taxpayer's income taxes due is refunded to the taxpayer.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-1-123 as  
3 follows:

4  
5 **39-1-123. Property destroyed by natural cause - proration -**  
6 **reimbursement to county. (1) Eligibility. FOR PROPERTY TAX YEARS**  
7 **COMMENCING ON OR AFTER JANUARY 1, 2013, IF A COUNTY PRORATED**  
8 **PROPERTY TAX LIABILITY PURSUANT TO SECTION 39-5-117 FOR REAL OR**  
9 **BUSINESS PERSONAL PROPERTY LISTED ON A SINGLE SCHEDULE BECAUSE**  
10 **THE PROPERTY WAS DESTROYED BY A NATURAL CAUSE AS DEFINED IN**

1 SECTION 39-1-102 (8.4), AS DETERMINED BY THE ASSESSOR IN THE  
2 COUNTY IN WHICH THE PROPERTY IS LOCATED, THE STATE SHALL  
3 REIMBURSE SUCH COUNTY IN AN AMOUNT EQUAL TO THE TOTAL AMOUNT  
4 OF THE PROPERTY TAX LIABILITY THAT THE COUNTY PRORATED DUE TO  
5 THE DESTRUCTION OF THE PROPERTY BY A NATURAL CAUSE AND THAT THE  
6 COUNTY THEREFORE DID NOT RECEIVE IN PROPERTY TAX PAYMENTS FOR  
7 THE PROPERTY TAX YEAR IN WHICH THE NATURAL CAUSE OCCURRED.

8 (2) **Report of destroyed properties.** (a) (I) FOR THE PROPERTY  
9 TAX YEAR COMMENCING JANUARY 1, 2013, ON OR BEFORE JULY 1, 2014,  
10 OR ON OR BEFORE OCTOBER 1, 2014, FOR PUBLIC UTILITIES IDENTIFIED IN  
11 ARTICLE 4 OF THIS TITLE, THE ASSESSOR OF EACH COUNTY WITH PROPERTY  
12 DESTROYED BY A NATURAL CAUSE DURING THE YEAR SHALL FORWARD TO  
13 THE APPLICABLE COUNTY TREASURER A REPORT OF THE TAXABLE REAL OR  
14 BUSINESS PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED BY  
15 A NATURAL CAUSE. THE REPORT MUST INCLUDE THE INFORMATION  
16 SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (2).

17 (II) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
18 JANUARY 1, 2014, ON OR BEFORE DECEMBER 15 OF THE APPLICABLE  
19 PROPERTY TAX YEAR, THE ASSESSOR OF EACH COUNTY WITH PROPERTY  
20 DESTROYED BY A NATURAL CAUSE SHALL FORWARD TO THE APPLICABLE  
21 COUNTY TREASURER A REPORT OF THE TAXABLE REAL OR BUSINESS  
22 PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED BY A  
23 NATURAL CAUSE THROUGH NOVEMBER OF THE YEAR. THE REPORT MUST  
24 INCLUDE THE INFORMATION SPECIFIED IN PARAGRAPH (b) OF THIS  
25 SUBSECTION (2).

26 (III) IF AFTER SUBMITTING A REPORT TO THE COUNTY TREASURER  
27 PURSUANT TO SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH (a), THE

1 COUNTY ASSESSOR DISCOVERS ANY TAXABLE REAL OR BUSINESS  
2 PERSONAL PROPERTY THAT WAS DESTROYED BY A NATURAL CAUSE  
3 DURING THE APPLICABLE PROPERTY TAX YEAR THAT WAS NOT INCLUDED  
4 IN THE REPORT, THE COUNTY ASSESSOR SHALL FORWARD TO THE COUNTY  
5 TREASURER A SUPPLEMENTAL REPORT OF THE ADDITIONAL TAXABLE REAL  
6 OR BUSINESS PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED  
7 BY A NATURAL CAUSE. THE REPORT MUST INCLUDE THE INFORMATION  
8 SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (2). IF APPLICABLE, THE  
9 COUNTY ASSESSOR SHALL FORWARD THE SUPPLEMENTAL REPORT TO THE  
10 COUNTY TREASURER ON OR BEFORE JULY 1, OR FOR PUBLIC UTILITIES  
11 IDENTIFIED IN ARTICLE 4 OF THIS TITLE, ON OR BEFORE OCTOBER 1 OF THE  
12 YEAR FOLLOWING THE PROPERTY TAX YEAR IN WHICH THE PROPERTY WAS  
13 DESTROYED BY A NATURAL CAUSE.

14 (b) (I) IN THE CASE OF TAXABLE REAL PROPERTY, THE REPORTS  
15 REQUIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL  
16 INCLUDE THE FOLLOWING:

17 (A) THE LEGAL DESCRIPTION OF EACH PARCEL OF REAL PROPERTY  
18 IN THE COUNTY CONTAINING THE REAL PROPERTY DESTROYED BY A  
19 NATURAL CAUSE IN THE APPLICABLE PROPERTY TAX YEAR;

20 (B) THE SCHEDULE OR PARCEL NUMBER FOR EACH PARCEL OF REAL  
21 PROPERTY CONTAINING THE REAL PROPERTY DESTROYED BY A NATURAL  
22 CAUSE IN THE APPLICABLE PROPERTY TAX YEAR;

23 (C) THE NAME OF THE REAL PROPERTY OWNER ON RECORD;

24 (D) A DESCRIPTION OF THE REAL PROPERTY AND THE DATE OF THE  
25 DESTRUCTION; AND

26 (E) THE AMOUNT BY WHICH THE PROPERTY TAX DUE ON THE  
27 DESTROYED REAL PROPERTY WAS PRORATED FOR THE APPLICABLE

1 PROPERTY TAX YEAR ACCORDING TO THE RECORDS OF THE COUNTY  
2 ASSESSOR.

3 (II) IN THE CASE OF TAXABLE BUSINESS PERSONAL PROPERTY, THE  
4 REPORTS REQUIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2)  
5 SHALL INCLUDE THE FOLLOWING:

6 (A) THE SCHEDULE OR IDENTIFYING NUMBER FOR THE BUSINESS  
7 PERSONAL PROPERTY DESTROYED BY A NATURAL CAUSE;

8 (B) THE NAME OF THE TAXPAYER WHO OWNS OR LEASES THE  
9 BUSINESS PERSONAL PROPERTY THAT WAS DESTROYED BY A NATURAL  
10 CAUSE AND THE NAME OF THE ENTITY UNDER WHICH THE TAXPAYER DOES  
11 BUSINESS, IF APPLICABLE;     

12 (C) THE PROPERTY TAXES DUE ON THE DESTROYED BUSINESS  
13 PERSONAL PROPERTY FOR THE APPLICABLE PROPERTY TAX YEAR  
14 ACCORDING TO THE RECORDS OF THE COUNTY ASSESSOR; AND

15 (D) THE AMOUNT BY WHICH THE PROPERTY TAX DUE ON THE  
16 DESTROYED BUSINESS PERSONAL PROPERTY WAS PRORATED FOR THE  
17 APPLICABLE PROPERTY TAX YEAR ACCORDING TO THE RECORDS OF THE  
18 COUNTY ASSESSOR.

19 (3) **Verification of property taxes owed.** (a) WITHIN THIRTY  
20 CALENDAR DAYS OF RECEIVING A REPORT FROM THE COUNTY ASSESSOR  
21 PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE COUNTY TREASURER  
22 OF THE SAME COUNTY SHALL VERIFY THE TOTAL AMOUNT OF THE  
23 PROPERTY TAXES DUE IN THE COUNTY THAT WAS PRORATED AS A RESULT  
24 OF THE DESTRUCTION OF THE PROPERTY BY A NATURAL CAUSE AND THAT  
25 IS ELIGIBLE TO BE REIMBURSED BY THE STATE PURSUANT TO SUBSECTION  
26 (1) OF THIS SECTION.

27 (b) AS SOON AS PRACTICABLE AFTER VERIFYING THE TOTAL

1 AMOUNT OF PROPERTY TAX IN THE COUNTY THAT WAS PRORATED AND IS  
2 ELIGIBLE TO BE REIMBURSED, THE COUNTY TREASURER SHALL TRANSMIT  
3 A REPORT TO THE STATE TREASURER THAT INCLUDES THE COUNTY  
4 TREASURER'S VERIFICATION AND THE REPORT OF THE DESTROYED  
5 PROPERTIES FROM THE COUNTY ASSESSOR.

6 (4) **State treasurer to pay county treasurer.** AFTER RECEIVING  
7 A REPORT FROM A COUNTY TREASURER PURSUANT TO SUBSECTION (3) OF  
8 THIS SECTION, AND SUBJECT TO APPROPRIATION, THE STATE TREASURER  
9 SHALL ISSUE A REIMBURSEMENT WARRANT TO THE APPLICABLE COUNTY  
10 TREASURER IN AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF PROPERTY  
11 TAX DUE IN THE COUNTY THAT WAS PRORATED AS A RESULT OF  
12 DESTRUCTION OF THE PROPERTY BY A NATURAL CAUSE IN THE APPLICABLE  
13 PROPERTY TAX YEAR. THE REIMBURSEMENT SHALL BE PAID FROM THE  
14 STATE GENERAL FUND.

15 == ==  
16 (e) NOTHING IN THIS SUBSECTION (5) SHALL BE CONSTRUED TO  
17 REQUIRE A COUNTY TREASURER TO CREDIT OR PAY THE PROPERTY TAX  
18 BILL OF ANY DESTROYED PROPERTY PRIOR TO THE COUNTY TREASURER'S  
19 RECEIPT OF A REIMBURSEMENT WARRANT FROM THE STATE TREASURER  
20 PURSUANT TO SUBSECTION (4) OF THIS SECTION.

21 (5) **Review.** DURING THE FIRST REGULAR SESSION OF THE  
22 SEVENTY-FIRST GENERAL ASSEMBLY, THE FINANCE COMMITTEES OF THE  
23 HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR  
24 COMMITTEES, SHALL REVIEW THE PROVISIONS OF THIS SECTION AND MAKE  
25 RECOMMENDATIONS REGARDING WHETHER THE PROVISIONS SHOULD BE  
26 CONTINUED, REPEALED, OR CONTINUED WITH MODIFICATIONS.

27 **SECTION 2. In Colorado Revised Statutes, 39-5-104.5, amend**

1 (1) as follows:

2 **39-5-104.5. Valuation of personal property.** (1) On and after  
3 January 1, 1996, AND EXCEPT AS OTHERWISE PROVIDED IN SECTION  
4 39-5-117 (2), personal property shall be valued as of the assessment date,  
5 and the tax shall apply for the full assessment year without regard to any  
6 destruction, conveyance, relocation, or change in tax status occurring  
7 after the assessment date. The owner of taxable personal property on the  
8 assessment date shall be responsible for the property tax assessed for the  
9 full property tax year without proration.

10 **SECTION 3.** In Colorado Revised Statutes, amend 39-5-117 as  
11 follows:

12 **39-5-117. Property destroyed after assessment date.**

13 (1) Whenever any improvements are destroyed or demolished subsequent  
14 to the assessment date in any year, it is the duty of the owner thereof or  
15 the owner's agent to promptly notify the assessor of such destruction or  
16 demolition and the date upon which the same occurred. In all such cases,  
17 such improvements shall be valued by the assessor at the proportion of its  
18 valuation for the full calendar year that the period of time in such year  
19 prior to its destruction or demolition bears to the full calendar year.  
20 Failure of the owner thereof or of the owner's agent to so notify the  
21 assessor prior to the date taxes are levied shall be considered a waiver,  
22 and no proportionate valuation by the assessor shall then be required.

23 (2) WHENEVER ANY BUSINESS PERSONAL PROPERTY LISTED ON A  
24 SINGLE SCHEDULE IS DESTROYED OR DEMOLISHED BY A NATURAL CAUSE  
25 AS DEFINED IN SECTION 39-1-102 (8.4), AS DETERMINED BY THE COUNTY  
26 ASSESSOR IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, AND SUCH  
27 DESTRUCTION OR DEMOLITION OCCURS SUBSEQUENT TO THE ASSESSMENT

1 DATE IN ANY YEAR, IT IS THE DUTY OF THE OWNER THEREOF OR THE  
2 OWNER'S AGENT TO PROMPTLY NOTIFY THE ASSESSOR OF SUCH  
3 DESTRUCTION OR DEMOLITION AND THE DATE UPON WHICH THE SAME  
4 OCCURRED. IN ALL SUCH CASES, SUCH BUSINESS PERSONAL PROPERTY  
5 SHALL BE VALUED BY THE ASSESSOR AT THE PROPORTION OF ITS  
6 VALUATION FOR THE FULL CALENDAR YEAR THAT THE PERIOD OF TIME IN  
7 SUCH YEAR PRIOR TO ITS DESTRUCTION OR DEMOLITION BEARS TO THE  
8 FULL CALENDAR YEAR. FAILURE OF THE OWNER THEREOF OR OF THE  
9 OWNER'S AGENT TO SO NOTIFY THE ASSESSOR PRIOR TO THE DATE TAXES  
10 ARE LEVIED SHALL BE CONSIDERED A WAIVER, AND NO PROPORTIONATE  
11 VALUATION BY THE ASSESSOR SHALL THEN BE REQUIRED.

12 **SECTION 4. Appropriation - adjustments to 2014 long bill.**

13 (1) For the implementation of this act, the general fund appropriation  
14 made in the annual general appropriation act to the controlled  
15 maintenance trust fund created in section 24-75-302.5 (2) (a), Colorado  
16 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased  
17 by \$2,221,828.

18 (2) In addition to any other appropriation, there is hereby  
19 appropriated, out of any moneys in the general fund not otherwise  
20 appropriated, to the department of treasury, for the fiscal year beginning  
21 July 1, 2014, the sum of \$2,221,828, or so much thereof as may be  
22 necessary, for reimbursement to county treasurers pursuant to section  
23 39-1-123 (4), Colorado Revised Statutes, related to the implementation  
24 of this act.

25 **SECTION 5. Safety clause.** The general assembly hereby finds,  
26 determines, and declares that this act is necessary for the immediate  
27 preservation of the public peace, health, and safety.